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ABSTRACT

The executive board of the college or university governing board has the central purpose of strengthening the board's performance by helping it function efficiently and effectively. Because the executive committee can undermine trustee morale by abusing its authority, the entire governing board must decide the extent of the powers delegated to the executive committee; this is typically accomplished in the bylaws which specify what the committee "can't" do; thus, the committee is implicitly empowered to act on all other matters. The committee should have a membership of approximately one-third the board's size, composed of the board's officers and the chairs of standing committees. The board chair should also chair the executive committee, and the committee should not meet more often than the board. The executive committee agenda should consist of: significant matters that cannot wait for a scheduled board meeting; matters referred to it by the board for study and possible resolution; issues generated by the committee itself; and, to conserve board time, routine matters requiring pro forma action. The responsibilities of the executive committee typically include: ensuring that the board fulfills its responsibilities; serving as a sounding board for the chief executive and administration; serving as the mechanism to oversee the institutional planning process and progress toward goals and objectives; monitoring the chief executive's performance, morale, health, and compensation; and acting on behalf of the full board in emergencies. (MSE)

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BOARD BASICS

EFFECTIVE COMMITTEES

THE EXECUTIVE COMMITTEE

BY RICHARD T. INGRAM

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ASSOCIATION OF GOVERNING BOARDS OF UNIVERSITIES AND COLLEGES

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The Executive Committee

Above all, directors need the ability to perceive themselves as others perceive them. Such objectivity is vital if the boardroom is to attract qualified directors...

—Robert Kirk Mueller, *Behind the Boardroom Door*

The executive committee is pivotal to the board's effective functioning and to the support of the board chair and the chief executive in their leadership roles.

No other standing committee has greater potential for good or harm than the executive committee. It is, after all, the only committee vested with broad authority or "power" held by the board itself. In contrast to other board committees, where issues are studied and courses of action are usually and appropriately recommended to the full board, this committee enjoys the board's sanction (and the sanction of law) to act on its own, provided it does not assume powers specifically reserved in bylaws for the board itself.

A fresh look at the purposes and functions of the executive committee is needed, especially where it may have had a long history of dominance over board affairs. Bad habits, like good traditions, do not change easily, however.

On the subject of standing committees, many students of trusteeship conclude that the fewer there are, the better. John W. Oswald, former president of the Pennsylvania State University, expressed his concerns about the executive committee this way:

Many boards have run into great problems over executive committees that essentially have taken over authority in such a way as to make the rest of the trustees either angry or uninterested. It is my judgment...that an executive committee is a minus, rather than a plus. I do recognize that for a private institution having 50-60 trustees, an executive committee is necessary; but in those cases I have often wondered why the institutions didn't call the executive committee the governing board and identify the rest as a board of visitors or some other name.

The executive committee can undermine trustee morale by abusing its authority, as Oswald suggests, or it can significantly aid initiatives to strengthen the board's development and effectiveness. The purpose of this publication is to suggest what for many boards may be a new, or at least redefined, role for the executive committee. With proper constraints on its powers, those that are defined and those that are principally voluntary, the committee can live up to its potential to accomplish good things.

Committee Charge

The entire governing board must decide the extent of its powers to delegate to the executive committee. This typically is accomplished in bylaws in a traditional but curious way: Instead of clearly defining the committee's purposes and limits of its authority in a single bylaw provision, some bylaws include various sections that specify decisions to be reserved for the board. That is, the bylaws specify what the committee *can't* do. Thus, the committee is implicitly empowered to act on all other matters.

"Reserved powers" for the board usually consist of the following:

- appointment and dismissal of the chief executive,
- sale or other disposition of real estate or other assets,
- election of trustees and board officers,
- approval of the annual budget,
- use of the institution's credit line,
- conferral of degrees,
- review of the institution's mission or purposes, and
- amendment of bylaws.

Although these are reasonable and appropriate reservations, some boards may want to stipulate others in their bylaws. At the same time, the board must be careful not to hamper the committee's capacity to act decisively. It is important for the committee to retain significant authority to act for the board, provided everyone—especially those on the committee—understands

THE EXECUTIVE COMMITTEE'S CENTRAL PURPOSE IS TO STRENGTHEN THE BOARD'S PERFORMANCE BY HELPING IT FUNCTION EFFICIENTLY AND EFFECTIVELY.

that such powers should be used only in exceptional or emergency circumstances or for routine matters to conserve board meeting time.

Situations do arise from time to time when it is not feasible to convene the board for a special meeting or when telephone conferencing is inappropriate—for example, when a delicate personnel matter must be resolved. When such situations can be anticipated, however, it is desirable for the board to ask the committee to act on its behalf as a matter of official record in its minutes.

The following language may be adapted for inclusion in bylaws to help clarify for everyone the committee's proper role and scope:

The executive committee shall have authority to act on behalf of the board of trustees on all matters except for the following, which shall be reserved for the board as specified elsewhere in these bylaws: presidential selection and termination, trustee and board officer selection, charter and bylaw amendment, changing the institution's mission, incurring corporate indebtedness, approval of the annual budget, and conferral of degrees.

The executive committee's central purpose is to strengthen the board's performance by helping it function efficiently and effectively. Its broad powers shall be used only as necessary and appropriate on routine housekeeping business or on emergency matters that cannot or should not be delayed until the board's next regularly scheduled meeting or until a special meeting of the board should be called, as specified in these bylaws.

The committee shall oversee the work of standing committees, the institution's planning process, and the board's support of the chief executive and his or her compensation. Committee minutes shall be mailed to all trustees within 30 days after its meetings and shall require formal ratification of the board at its next meeting.

Committee Structure

The committee's potential to accomplish its mission and purposes depends in part on the board's size and the committee's membership composition. It is questionable, for example, whether boards of 15 or fewer members should have an executive committee at all. Few community college boards of seven or nine members employ such a committee; they properly address most matters as a "committee of the whole." Institutions drawing board members from wide geographic areas (because they see themselves as being regional or national in scope) have other important factors to consider in committee structure, of course, but four general rules should be considered.

1. The committee should have a membership of approximately one-third the size of the board. Thus, a board of 30 trustees could comfortably have an executive committee of about ten members.

2. The committee should be composed of the board's officers (typically the chair, vice chair, secretary, and treasurer) and the chairs of standing committees. By concentrating board leadership in the executive committee in this way, the committee can more effectively oversee implementation of institutional plans.

Ideally, at least two positions should be "at large." Holders of these at-large positions should be nominated by the board's committee on trustees and elected by the board with the annual election or reelection of board officers. In addition, the board should review the executive committee's composition annually to ensure a reasonable balance between the need for continuity and the need for rotation.

3. The board chair should chair the committee. Some institutions have experimented with other arrangements, but often with disappointing results.

4. The committee should not meet more often than the board. At the risk of overstating this guideline, a committee that meets more often than the board itself may be functioning inappropriately and may be undermining the board's responsibilities or prerogatives. There are too many situations where boards of independent institutions meet too infrequently (sometimes only two or three times annually), thus abdicating their responsibility—sometimes willingly—to the executive committee. In the short run this works; in the long run, this practice is potentially harmful to the institution and to the board.

Sometimes a chief executive or board chair becomes too dependent on and comfortable with executive committee guidance and directives. It is easier, after all, to work with a smaller group of trustees who are more seasoned and more consistent in their postures. By judiciously balancing the frequency of board and executive committee meetings with the institutional management calendar, the chief executive and board chair can maintain the trustees' confidence that the board's effectiveness will be enhanced, rather than hindered or circumvented.

Committee Responsibilities

The executive committee has unique opportunities to influence how the board conducts its business. Broadly speaking, the committee's agenda should consist of matters that fall into four categories:

- Significant matters dictated by the management calendar that cannot wait for a scheduled board meeting.
- Matters referred to the committee by the board for study and possible resolution.
- Issues generated by the committee itself, especially from ongoing standing committee work at the request of the chief executive or board chair.
- Routine or relatively inconsequential matters requiring pro-forma action by the committee to conserve the board's time.

The committee can help the chief executive and board chair identify issues and plan agendas for subsequent board meetings along these lines. Typical responsibilities of the executive committee follow.

1. Ensure that the board fulfills its responsibilities. The committee periodically reserves time to reflect on how well the board seems to be functioning. In concert with the chief executive, board chair, and the chair of the committee on trustees, the members of the executive committee should ask these kinds of questions periodically:

- Is attendance at board and committee meetings consistently what it should be? If not, why, and what can be done to improve participation?
- Is the committee system working as well as it should? Which committees seem to be particularly productive, and which are not?

- Are board and committee meeting agendas and supporting materials substantive and timely? Are meetings interesting and conducted effectively? Do our colleagues leave with a sense of accomplishment?
- What can we do to promote better communications among standing committees on issues of joint concern? What issues are appropriately within the purview of joint committees?
- Are adequate in-service education opportunities provided to broaden trustee knowledge of institutional characteristics, higher education trends, and what we expect of ourselves? Is the new-trustee orientation program effective?
- Is it time for a board retreat to discuss certain challenges confronting the institution or to discuss the board's performance though a comprehensive self-study?

THE CONVENTIONAL AND STILL APPROPRIATE WISDOM IS THAT GOVERNING BOARDS DO NOT DO PLANNING; RATHER, THEY INSIST THAT GOOD PLANNING BE DONE.

Greater candor often prevails in executive committee meetings than in larger board meetings where members may be more reserved or formal. The chief executive and board chair should ensure, however, that the executive committee does not assume responsibility for matters that more properly may lie within the purview of other standing committees—or the full board.

2. Serve as a sounding board for the chief executive and administration. Consistent with the concept that the committee should serve as a mechanism to oversee institutional planning, the chief executive should first take to the committee new policy issues that have the potential to affect the institution. In this capacity, the executive committee serves an important "gatekeeper" role and helps the chief executive and administration adhere to the dictum of "no surprises." More important, however, the

committee serves as a safe haven where new or perhaps controversial ideas can be tested and explored before they are taken to the full board or assigned to a standing committee for further study.

By routinely floating possible initiatives before the committee, the chief executive's positions on key issues can only be enhanced. Winning early, albeit tentative, support of the board's elected and appointed leaders is a necessary first step, of course, but such a practice also enables the chief executive to test assumptions, consider options, or prepare a stronger case for a possible course of action.

The strategy here is not necessarily to request or receive the executive committee's support or endorsement of what is contemplated; rather, it is to ensure that the best possible case has been prepared before bringing the initiative to the full board for discussion, disposition, or resolution. Again, it is wise to avoid any possible perception that the committee is deciding on courses of action on behalf of the board.

Not *all* new policy proposals need to be brought to the committee before they are presented to the board, of course. But in certain circumstances, the chief executive will enjoy considerable advantages—particularly on matters where he or she may be uncertain or ambivalent—by leaning in this direction. The committee's informal atmosphere, where board officers and administrators enjoy a more intimate working relationship, provides opportunities not always present in full board meetings.

3. Serve as the board's mechanism for overseeing the institutional planning process and progress toward goals and objectives. There are real advantages to having standing committee chairs serve on the executive committee with the board's officers: They can help coordinate ongoing work by active committees when the executive committee meets. Their presence can lead to better communications among committees, thereby reducing the likelihood of duplication of work. And sensible divisions of labor can be assigned while the best and most timely information is brought to bear on major policy issues.

The conventional and still appropriate wisdom is that governing boards do not *do* planning; rather, they insist that good planning be done by those who are best qualified to do it—the administration and faculty. But trustees and regents should participate in planning processes if they are to assume ownership of resulting goals and objectives. Board members can relay valuable expertise and insights from the larger community on many perplexing issues confronting the future of higher education. Ultimately, the board must decide whether the mission or purposes of the institution should be changed by reaching for new student markets, academic programs, facilities, community services, or research and development.

The most appropriate place for trustee participation is in the board's committee structure, where elements of the planning process can be periodically shared through good staffing and concise committee meeting agendas. Although a separate ad-hoc institutionwide planning committee of administrators, faculty, and perhaps students is likely to exist, the board's committee system should be useful along the way—to test assumptions and tentative recommendations affecting finances and fund-raising, academic programs and faculty affairs, student affairs, admissions, buildings and grounds, and so on.

The executive committee thus takes on a major coordinating function with progress reports from the chief executive or other planning officers. As a consequence, the board is in a better position to know how the planning process is progressing. It is up to the president and board chair to decide mutually how best to involve the committee in its monitoring and coordinating role.

Two other options to the foregoing scenario are possible: installing a separate, standing board committee to handle planning matters, or consciously deciding to limit the board's involvement to the review and approval of the final planning document once it has been completed by others. In general practice, however, neither of these alternatives has proved to be prudent. In sum, the executive committee should be vested with the board's authority to serve as a planning committee.

4. Monitor the chief executive's performance, morale, health, and compensation. Strong, effective presidential leadership can be nurtured only if it is recognized and supported by trustees, especially by those who hold leadership positions and have the most interaction with the chief executive—members of the executive committee. The board should view the committee as its agent to ensure that the chief executive has access to advice and counsel when it is needed. Too few presidents are comfortable seeking help from board members when they need it on professional or personal concerns. The board chair, of course, should be most accessible and most sensitive to presidential needs. But he or she should share this essential responsibility with the committee throughout the year—not simply at the time of performance review.

The committee also can be helpful by *informally* reviewing the president's performance annually (as compared to annual goals agreed upon by the president and committee on the board's behalf). Members of the executive committee usually are in the best position to monitor the chief executive's strengths and needs, preventing small problems from becoming larger ones. Constructive and continuing feedback benefits everyone.

Periodically, the committee should discuss with the president *in executive session* such matters as personal financial planning, professional development opportunities, vacations, the needs of spouses, corporate directorship opportunities, and assistance with the social and political obligations of the office. Chief executives cannot be expected to take initiatives with their boards on these and related matters; the board chair and the committee should do so with confidence that everyone will fully respect privileged information.

In a trusting and open relationship, the president and the executive committee, on behalf of the board, can do much to ensure continuity of executive leadership. The committee should expect its chair to communicate relevant information to it with recommendations for action when necessary. Such information certainly should include comparable data on chief executive compensation from peer institutions. Board officers should take initiatives to communicate privately and informally with the president, not to lobby for their pet interests and peeves, but to demonstrate their sincere interest and counsel.

5. *Act on behalf of the full board in emergencies.* This point needs little elaboration except to offer the reminder that what constitutes a genuine emergency is likely to differ among trustees. This is a judgment call by the president and board chair. Regardless, the committee must have authority to act on behalf of the board in adverse situations that might arise; subsequently, it should clear with the full board actions it has recommended.

Boards occasionally assign additional functions to the executive committee. For example, some committees function as personnel or grievance committees and, even more rarely, as audit committees in the absence of separate entities. Other executive committees assume responsibility for conducting formal, comprehensive reviews of chief executive performance at five-year to seven-year intervals. Still others formally set the agenda for subsequent board meetings, oversee new-trustee orientation programs, approve faculty contracts, set tuition increases, and even approve annual budgets. Finally, rather than install ad-hoc committees to study single issues for a fixed period of time (a good practice), such duties sometimes are assigned to the executive committee instead. The appropriateness of such functions should be decided by the board. Members of the committee should ask, Is the proposed action we are being asked to consider appropriate, or is this a decision the full board should make?

Minutes should always be prepared and mailed to all trustees within 30 days. A second set of minutes should be attached to the board's agenda with the minutes of the board's last meeting. By doing so, everyone is reminded that the committee remains accountable to the board. The board should ratify the committee's minutes at the same time it approves its own.

Conclusion

A number of other issues are not addressed in this publication because they may apply only to certain types of institutions or to the board's traditions. For example:

- To what extent are executive committee meetings subject to the provisions of state sunshine laws in public institutions?
- Should *all* trustees be made to feel genuinely welcome to attend executive committee meetings? To suggest agenda items? If so, how?
- Should the terms of committee members be limited to avoid situations where the same individuals seem to become proprietary of them?

- For institutions that draw their students and trustees from wide geographic areas, how can the board avoid the tendency for local trustees to dominate seats on the committee?
- Is it psychologically healthy for the executive committee to meet immediately before full board meetings? That is, does such a practice send the wrong or unintended signals to board members who do not serve on the committee? Is there an atmosphere of secrecy that should be avoided?

This list could be extended, but the point is clear: Boards should decide how they expect their executive committees to conduct themselves.

Significantly fewer public institution boards have executive committees compared with independent institutions. Although the principal issues discussed here should help governing boards in both sectors, there inevitably will be differences of opinion among veteran trustees and chief executives. A highly respected friend and colleague who ably chairs the board of a nationally known liberal arts college strongly disagrees, for example, with the principle that "the committee should meet no more often than the board does on an annual basis." In reviewing a draft of this publication, he commented:

> *If you mean in addition to meetings held at the time of entire board meetings—that's different and should be clarified. If not, I'm flabbergasted. Although you denigrate a board schedule of "sometimes only two or three times annually" as being too infrequent, I would agree that two times is not adequate. But many very healthy institutions get along with three meetings, or at most four, annually. This assumes that the executive committee functions properly, that board members are kept well informed during the interim, that issue papers for board action are well structured and offered with plenty of time to discuss and attend to the business at hand—all the marks of a well-functioning board apparatus. The executive committee makes this possible. And, by the way, if you want at least 80 percent attendance at all meetings of a nationally constituted board, you'd better hold down the number of meetings—I don't care how dedicated the trustees are! The executive committee holds the fort in the interim.*

This reinforces the obvious point that trustees are both the beneficiaries and victims of their prior experience. The purpose of this publication will have been served if it provokes reflection and objectivity about the many options available. The best advice, however, still comes from that unknown saint who said: "If it ain't broke, don't fix it."

Resources

Cleveland, Harlan. *The Costs and Benefits of Openness: Sunshine Laws and Higher Education*. Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1985.

Ingram, Richard T. and Associates. *Governing Independent [Public] Colleges and Universities: A Handbook for Trustees, Chief Executives, and Other Campus Leaders*. San Francisco: Jossey-Bass, 1993.

Ingram, Richard T. *Effective Trusteeship: Guidelines for Trustees of Independent [Public] Colleges and Universities*. Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1995.

BOARD BASICS

This publication is part of an AGB series devoted to strengthening the role of key standing committees of governing boards. Several assumptions underpin the series:

- The work of boards should be accomplished in committee. An effective committee system will enhance the productivity of full board meetings.
- The committee structure of any board should mirror the full range of its responsibilities as a legal, corporate entity. That is, the committee organization should cover the oversight roles expected of trustees.
- Although there is no optimum committee system, certain principles and procedures should prevail: The board's bylaws or other operating policy should include a clear, comprehensive statement of responsibility for each standing committee. Each committee should be staffed by an appropriate administrative officer; a trustee or regent should serve as chair. No trustee should serve on more than two active committees, preferably one—excluding the executive committee.
- Before scheduled meetings, each committee member should receive a concise, well-conceived meeting agenda and relevant background information prepared by the committee chair and staff. Committees are responsible for recommending decisions and actions to the full board.
- As committee members seek additional information to fulfill their responsibilities, it is important to strike a balance between "too much" and "too little." Committee members must guard against requesting overly detailed information to avoid the appearance of becoming embroiled in administration or overburdening it. Before members make information requests, perhaps they would be well-served by asking if all such requests contribute to the committee's and the board's responsibilities for reviewing, setting, or approving institutional policies.

The *Effective Committees* set of booklets comprises publications on the following committees: investment, buildings and grounds, academic affairs, student affairs, finance, development, trustees, audit, and executive. It is part of the AGB **Board Basics Series**. AGB and the authors welcome comments and suggestions to improve this publication and the others in the series.

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